



**NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 602**

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

H602-ARQ-38 [v.5]

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Amends Title [YES]  
Third Edition

Date \_\_\_\_\_, 2021

Senator Lee

1 moves to amend the bill on page 1, lines 2-8, by rewriting the lines to read:

2  
3 "AN ACT TO MAKE CHANGES TO THE LAWS GOVERNING THE UNIVERSITY OF  
4 NORTH CAROLINA TO EXEMPT FINANCE, BUSINESS OFFICE, AND AUDITOR  
5 PROFESSIONALS FROM MOST PROVISIONS OF THE NORTH CAROLINA HUMAN  
6 RESOURCES ACT; TO CONSOLIDATE AND ELIMINATE CERTAIN REPORTS; TO  
7 CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS; AND TO PROVIDE  
8 THE UNIVERSITY OF NORTH CAROLINA FLEXIBILITY TO ADDRESS  
9 BUDGETARY AND OTHER IMPACTS OF COVID-19 THROUGH EARLY  
10 RETIREMENT INCENTIVES, REDUCTION IN FORCE APPROVAL AUTHORITY,  
11 AND AUTHORITY TO PROVIDE STATE HEALTH PLAN PREMIUM PAYMENTS  
12 FOR CERTAIN EMPLOYEES PLACED ON EMERGENCY TEMPORARY  
13 FURLOUGHS.";

14  
15 And on page 3, lines 34-41, by rewriting the lines to read:

16  
17 **"REPEAL REPORT ON RESEARCH COLLABORATIONS ON MILITARY**  
18 **BEHAVIORAL HEALTH**

19 **SECTION 2.3.** Section 10(d) of S.L. 2011-185 is repealed.";

20  
21 And on page 5, lines 24-42, by deleting those lines;

22  
23 And on page 7, lines 2-23, by deleting those lines;

24  
25 And on page 7, lines 25-27, by rewriting those lines to read:

26  
27 **"PART V. EARLY RETIREMENT INCENTIVE PROGRAM FOR UNC**

28 **SECTION 5.(a)** The Board of Governors of The University of North Carolina may  
29 authorize the adoption of an early retirement incentive program to provide long-term cost-savings  
30 to The University of North Carolina and improved operational efficiencies for The University of  
31 North Carolina to remain in effect until December 31, 2022. The University of North Carolina



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1 System Office shall develop policies and regulations for the early retirement incentive program  
2 that shall provide, at a minimum, the following:

- 3 (1) To participate in the program, an employee must be eligible for early or full  
4 service retirement if participating in the Teachers' and State Employees'  
5 Retirement System of North Carolina (TSERS) or must be at least age 55 and  
6 vested in the Optional Retirement Program (ORP).  
7 (2) Employees approved for the early retirement incentive program may receive  
8 a severance payment of not less than one month of an employee's annual base  
9 salary and not greater than six months of the annual base salary, based on  
10 criteria to be established by the President and on availability of funds. This  
11 severance payment shall be exempt from payroll deductions for retirement  
12 contributions and shall not be considered compensation for the purposes of  
13 the supplemental plans administered by the Supplemental Retirement Board  
14 of Trustees established in G.S. 135-96.  
15 (3) If an employee who is approved for the early retirement incentive does not  
16 qualify for the full employer premium contribution for retiree health coverage  
17 provided under TSERS or ORP, then the constituent institution may, at its  
18 option, provide the employee an amount equivalent to 12 months of the full  
19 employer contribution to the employee health insurance premium.  
20 (4) The program may be provided to employees both subject to and exempt from  
21 the North Carolina Human Resources Act. The program shall not be made  
22 available to employees receiving disability or workers' compensation benefits.

23 **SECTION 5.(b)** By October 1, 2021, and December 1, 2022, if an early retirement  
24 incentive program is implemented under this section at The University of North Carolina, The  
25 University of North Carolina System Office shall report to the Department of the State Treasurer  
26 and the Fiscal Research Division of the General Assembly on implementation of the early  
27 retirement incentive program, including the number of employees participating by each  
28 constituent institution and total amount paid out by the program.

29 **SECTION 5.(c)** This section expires December 31, 2022.

30  
31 **PART VI. HUMAN RESOURCES POLICY FLEXIBILITY/REORGANIZATIONS FOR**  
32 **UNC SYSTEM EMPLOYEES SUBJECT TO THE NORTH CAROLINA HUMAN**  
33 **RESOURCES ACT**

34 **SECTION 6.** G.S. 116-14 is amended by adding a new subsection to read:

35 "(b3) The President shall have the authority to approve a reduction in force for positions  
36 subject to the North Carolina Human Resources Act in accordance with the reduction in force  
37 policies of the Office of State Human Resources without further approval by any other State  
38 agency. The President may delegate this authority to approve a reduction in force to a chancellor  
39 of a constituent institution. The authority to approve a reduction in force may include  
40 reorganization and payment of severance with non-State funds. The President and any chancellor  
41 of a constituent institution who approves a reduction in force pursuant to this section shall comply  
42 with the following:

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- (1) Submit an annual informational report to the Office of State Human Resources on all approved reductions in force, reorganizations, and severance payments for employees who are subject to the North Carolina Human Resources Act under this section.
- (2) If State funds are used for payment of severance in connection with a reduction in force under this section, the payment of the severance shall be subject to any required preapproval by the Office of State Budget and Management."

**PART VII. PROVIDE STATE HEALTH PLAN PREMIUM PAYMENTS FOR CERTAIN EMPLOYEES PLACED ON EMERGENCY TEMPORARY FURLOUGHS**

**SECTION 7.** The Board of Governors of The University of North Carolina may allocate non-State funds to pay the employee portion of the monthly premiums for participation in the State Health Plan for Teachers and State Employees that would have been paid if (i) the participating employee is currently on an emergency temporary furlough and (ii) the emergency temporary furlough places the employee below half-time employment for a calendar month. The Board of Governors shall not provide for more than 12 months of employee premiums for employees on furlough between June 1, 2020, and December 31, 2021. The employee shall not be required to repay The University of North Carolina for any monthly premiums paid in accordance with this section.

**PART VIII. EFFECTIVE DATE**

**SECTION 8.** This act is effective when it becomes law. Section 4 applies to capital projects authorized before, on, or after that date."

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_